Banks have been allowed to fix the service charges for various types of services rendered by them, with the approval of their Board of Directors, with effect from September, 1999. However, RBI has advised banks that while fixing service charges for various type of services provided by them, they should ensure that charges are reasonable and not out of line with the average cost of providing these services. Further, banks have also been advised to ensure that the customers with low volume of activities are not penalised.

Demands from Co-operative Banks in Maharashtra

187. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry has received any demands from Co-operative Banks, particularly from Maharashtra; and

(b) if so, the details of their demands and response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Government has been receiving references from individuals, Hon'ble Members of Parliament and Cooperative Banks etc. on an on-going basis from different parts of the country including Maharashtra on different aspects of Banking. The appropriate action is taken as per norms in consultation with NABARD, Reserve Bank of India and other banks involved within the permissible policies of the respective banks.

Further, concerned with the need to strengthen the rural cooperative credit institutions, the Government of India constituted **a** task force under the chairmanship of Prof. A Vaidyanathan. Based on the discussions held with the State Governments on the recommendations of the Vaidyanathan Committee report and also such other feedback received, Government had approved a revival package for revival of short term cooperative credit structure, subject to certain legal and institutional reforms to be initiated by State Govts.The States willing to implement the package are required to sign an MoU with Central Government and NABARD. State of Maharashtra is among the nine states which had already signed the MoU.